

NOTICE TO INTERESTED PARTIES

This solicitation is provided to you for information purposes. If interested in responding to this solicitation, you may choose to submit your offer on the downloaded document **provided** you register your company by fax or e-mail for this specific solicitation. If you do not register your company, you will not receive addenda, if any, and your offer **may be** rejected and not considered for award.

Registration or Request for Copy of Solicitation

Submit FAX or E-MAIL to: FAX No.: (808) 586-0570
E-mail Address: Robert.zamarron@hawaii.gov

Provide the following information:

- Name of Company
- Mailing Address
- Name of Contact Person
- Telephone Number
- Facsimile Number
- E-Mail Address
- Solicitation Number
- Fedex (or equivalent) account number (document will be sent by U.S. Postal Service first class mail if this is not provided)

STATE PROCUREMENT OFFICE

LEGAL AD DATE: August 2, 2006

INVITATION FOR BIDS No. IFB-07-008-SW SEALED OFFERS TO PROVIDE LONG DISTANCE TELEPHONE SERVICES FOR HAWAII STATE GOVERNMENT

TECHNICAL PROPOSALS WILL BE RECEIVED UP TO AND OPENED AT 2:00 P.M. (HST)
ON
SEPTEMBER 29, 2006

PRICED BIDS WILL BE RECEIVED UP TO AND OPENED AT 2:00 P.M. (HST) ON
NOVEMBER 14, 2006

IN THE STATE PROCUREMENT OFFICE, KALANIMOKU BUILDING, 1151 PUNCHBOWL STREET, ROOM 416, HONOLULU, HAWAII 96813. DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO ALVIN WASHIASHI, TELEPHONE (808) 586-0571, FACSIMILE (808) 586-0570 OR E-MAIL AT ALVIN.WASHIASHI@HAWAII.GOV.

Ruth E. Yamaguchi
Procurement Officer

IFB-07-008-SW

Name of Company

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SECTION ONE
ADMINISTRATIVE ISSUES

1.1 TIMETABLE

The following timetable represents the State's best estimate of the schedule that will be followed. The State may change the schedule via addendum. All times shown is Hawaii Standard Time (HST). The official clock for this Invitation for Bids is the time stamp clock in the State Procurement Office, Room 416 of the Kalanimoku Building located at 1151 Punchbowl Street, Honolulu, Hawaii 96813.

Issuance of Invitation for Bids	August 2, 2006
Deadline for Written Questions	August 21, 2006, 4:30 p.m.
State's Response to Written Questions	September 5, 2006
Phase I – Technical Proposal Deadline	September 29, 2006, 2:00 p.m.
Evaluation of Proposals & Discussions with Offerors	October 27, 2006
Phase II – Priced Bids Deadline	November 14, 2006, 2:00 p.m.
Notice of Award	Within 30 days of Priced Bids
Installation Start Date	Official Commencement Date listed on the Notice to Proceed
Installation Completion Date	No later than one hundred twenty (120) calendar days after Official Commencement Date
Installation Acceptance Date	Within thirty (30) calendar days after Installation Completion Date
Contract Start Date	Official Commencement Date specified on Letter of Acceptance

1.2 WRITTEN INQUIRIES AND RESPONSE

- 1.2.1** Prior to submittal of Technical proposals in Phase I, inquiries or questions concerning discrepancies, omissions, non-compliance with any requirement of this IFB, or doubts as to the meaning of specifications, special provisions, general terms and conditions, or evaluation and selection must be communicated in writing via mail, hand delivery, fax, or e-mail to:

State Procurement Office
Attn: Mr. Alvin Washiashi
1151 Punchbowl St., Room 416
Honolulu, Hawaii 96813

Fax: (808) 586-0570
E-mail: alvin.washiashi@hawaii.gov

- 1.2.2** All questions shall reference the IFB page number and section number to which the question relates and shall be submitted in writing by 4:00 P.M. (H.S.T.) on the date listed in Section One, Deadline for Written Questions. Oral explanations or instructions given over the telephone shall not be binding. Exception to any of the State's terms, conditions, or specifications from potential Offerors shall be explained and submitted by the deadline date for questions. No exceptions shall be accepted in Phase II unless approved by the State. However, exceptions to technical requirements can be submitted in Phase I, Technical Proposals. The State reserves the right to reject any exceptions listed. The State will notify Offerors via Addendum if exceptions are accepted or not accepted. Offerors may respond to this Addendum in the manner described in Section 4.3.4. All questions and inquiries regarding this IFB must be directed to the State Procurement Office.
- 1.2.3** Following receipt of the submitted questions, the State staff will prepare written responses to all questions received. To the extent practical, the questions will remain as written; however, the State may consolidate and paraphrase questions received.
- 1.2.4** The questions and answers become an official amendment to the IFB. The amendment will be issued via written addendum and distributed to all registered potential Offerors on or before the date listed in Section One, State Responses to Written Questions.

1.3 DEFINITIONS AND ACRONYMS

1.3.1 General

AC	State's Assistance Center
CA	Contract Administrator
DOE	Department of Education of the State of Hawaii
DOTAX	Department of Taxation of the State of Hawaii
GET	General Excise Tax
GTC	General Terms and Conditions dated September 1, 1995 and issued by the State Procurement Office.
HAR	Hawaii Administrative Rules
HRS	Hawaii Revised Statutes
ICSD	Information and Communications Service Division of the Department of Accounting and General Services (DAGS), State of Hawaii.
IFB	Invitation for Bids
Offeror or Bidder	An individual, partnership, corporation, joint venture, or other entity submitting a technical proposal or priced bid for this IFB solicitation.
Procurement Officer	The contracting officer for the State of Hawaii Procurement Office.
SPO	State Procurement Office of the State of Hawaii, located at 1151 Punchbowl Street, Room, 416, Honolulu, Hawaii 96813. Mailing address: P. O. Box 119, Honolulu, Hawaii 96810-0119.
State	All departments, agencies, and jurisdictions participating in this agreement (see Section 5.4).
TSB	Telecommunications Services Branch of the ICSD, DAGS, State of Hawaii.

1.3.2 Technical

ANI	Automatic Number Identification
BRI	Basic Rate Interface.

Central Office	A local exchange carrier facility that allows subscriber lines to be connected by switching equipment to other subscriber lines, other central offices, network facilities, or to an interexchange carrier.
Centrex	A business telephone service provided from a central office switching system. The customer does not own nor is responsible for the operation and maintenance of the switching equipment.
CLEC	Competitive Local Exchange Carrier
COA	Certificate of Authority issued by the Hawaii Public Utilities Commission.
Collect Call	An operator assisted toll call billed to the called party.
CPCN	Certificate of Public Convenience and Necessity issued by the Hawaii Public Utilities Commission.
CPE	Customer Premise Equipment. Telecommunication equipment that is located at a customer premise as opposed to equipment located at the premise of a service provider.
Calling Card	Direct dialed and operator assisted calling with charges billed to originator's telephone number or account.
DDD	Direct Distance Dialing is a service that enables a user to dial long distance (toll) calls outside the user's local service area without operator assistance.
Digital Signal 1 (DS1)	Digitally encoded data transmitted at a rate of 1.544Mbps and consisting of 24 multiplexed DS0 subchannels.
Digital Signal 3 (DS3)	Digitally encoded data transmitted at a rate of 44.736Mbps and consisting of 28 multiplexed DS1 subchannels.
Directory Assistance	A service that provides directory information for requests for unknown long distance telephone numbers (808-555-1212).
E-mail	Internet electronic mail.
Equal Access	The ability to choose a long distance company other than AT&T to be the primary long distance carrier for interLATA and intraLATA long distance calls.
FCC	Federal Communications Commission

Hardware Answer Supervision	An electrical signal generated by the LEC at the distant end of a long distance call to indicate positively that the call has been answered by the called phone. This tells billing equipment to start timing the call.
HATS	Hawaii's Advanced Telephone System is the informal name of the current State telephone system contract with Hawaiian Telecom.
Interexchange Carrier (IXC)	A common carrier that provides services to the public between local exchanges on an intra or interLATA basis in compliance with FCC regulations.
Interisland Calls	Toll calls within the State of Hawaii (island to island). Also, called intraLATA or intrastate calls.
InterLATA	Toll traffic carried between LATAs by authorized interexchange carriers.
IntraLATA	Services, revenues and functions that originate in one LATA and Terminate in the same LATA.
ISDN BRI	Integrated Service Digital Network Basic Rate Interface (2B+D) is a single ISDN circuit divided into two 64 Kbps bearer (B) channels for voice or data and one 16 Kbps data (D) channel for low speed data and signaling.
ISDN PRI	Integrated Service Digital Network Primary Rate Interface (23B+D) offers twenty-three 64 Kbps bearer (B) channels for voice, data, and video and one 64 Kbps data (D) channel for out-of-band signaling.
Key System	A multi-line telephone system that is generally used where the requirement is for 2-100 telephones and where there are a large number of internal intercom calls in relation to the number of inbound or outbound calls.
LATA	Local Access and Transport Area. The geographical boundaries within which Designated Carriers are permitted to offer toll service.
LEC	Local Exchange Carrier. The local telephone company authorized by the Hawaii Public Utilities Commission to provide service within specific communities.
Local Number Portability	The capability for the customer to retain the currently assigned 7-digit telephone number regardless of the LEC providing service.
NXX	A three digit central office code that is part of the North American Dialing Plan.

Numbering Plan Area (NPA)	A three digit area code that is part of the North American Dialing Plan.
Operator Assistance	Access to operator provided services including subscriber line verification, barge-in, extension to long distance providers, and assistance with other exchange functions.
Operator Assisted Toll Calling	The operator assisted establishment of toll calls in response to verbal instructions given by the subscriber.
PEG Count	The call attempts that are counted by the switch or other monitoring equipment.
Person-to-Person	An operator assisted toll call placed to a specific individual rather than a called location. If the specific individual is not available to take the call, no conversation or billing occurs.
PIC	The Primary Inter-exchange Carrier is the pre-selected carrier for long distance calls.
POP	Point Of Presence. The physical location within a LATA where interexchange carriers connect their facilities to those of the local exchange carrier.
PSTN	Public Switched Telephone Network.
PUC	Hawaii Public Utilities Commission.
Signaling System 7 (SS7)	An internationally standardized common channel signaling method in which a single channel conveys messages relating to multiple calls, circuits and network management.
T1	A transmission connection at 1.544Mbps consisting of 24 full duplex channels of 64Kbps each. Also see DS1.
Third Number Billing	An operator-assisted toll call is billed to a station other than the originating or terminating station.
Toll Free Calling	A free long distance call using an 800, 888, 877, 866, 855, 844, 833, 822, or other toll free NPA code to a subscriber location. Toll charges are billed to the subscriber. (876 and 809 are not toll free!)
Traffic Study	Study that measures the efficiency and effectiveness of network performance.
700, 900, 976 Calls	A 700, 900, or 976 NPA number is pay per call, where the caller is billed by the local telephone company for such services and the entrepreneur is paid by the local telephone company.

SECTION TWO

OVERVIEW

2.1 OVERVIEW

The State Procurement Office is soliciting bids to provide long distance telephone services for Hawaii State Government. The intent of the Invitation for Bids (IFB) is to obtain the most cost effective interstate, international, and interisland services listed below.

The services include, but are not limited to:

- Direct Distance Dialing (interstate, international, and interisland);
- Inbound Toll Free;
- ISDN BRI and PRI Toll;
- Calling Card;
- Directory Assistance;
- Operator Assisted Toll Calling;
- Billing; and
- Management reporting.

The toll quality long distance facilities will support current and future voice, facsimile, modem, and circuit switch data transmission requirements.

These services are currently being provided by Sprint Communications Company, L.P. dba Sprint Hawaii (Sprint) under SPO Price List No. 03-19. The contract with Sprint will expire on December 31, 2006. It is anticipated the new contract will begin January 1, 2007.

This IFB explains the requirements, specifications, and rules for preparing an offer. Offerors are advised to rely solely on the terms of this IFB and subsequent addendums in preparing their responses.

SECTION THREE

TECHNICAL REQUIREMENTS

3.1 GENERAL

For the Phase I – Technical Proposal, the Offeror must provide a point by point response to all sections in Section Three, Technical Requirements. Offeror may respond at the end of each numbered section or alternatively to each paragraph, but must be consistent throughout the technical proposal.

Offeror shall submit detailed explanations, drawings, and other descriptive information as to how the technical requirements will be fulfilled. Items that cannot be provided should be clearly identified as exceptions. Similarly, items that require modification should be identified. Explain what modification is required and what can be provided.

3.2 NETWORK SERVICES

3.2.1 Direct Distance Dialing

- 3.2.1.1** Offeror must provide 24 hours a day, 7 days per week direct distance dialing service for interstate, international, and interisland calls. This may be switched access and/or dedicated access.
- 3.2.1.2** The primary routing for interstate, international, and interisland calls shall be over terrestrial facilities.
- 3.2.1.3** Dialing should be by the least amount of digits possible and accessing Offeror's system should be transparent to the State. The proposed service must not require the State to dial a carrier access code to gain direct connection to its network. Long distance is currently accessed by dialing 9 or 8 plus 1 or 011, area code or country and city code, plus the number (see Exhibit 1 State Dialing Plan). Offeror must describe the dialing required to access its service.

3.2.2 Inbound Toll Free (800, 888, 877,866, 855, 844, 833, 822, etc.)

- 3.2.2.1** Offeror's service must provide State subscribers, anywhere in the State, the ability to receive calls to a single toll free number 24 hours a day, 7 days per week, from anywhere in the State of Hawaii and in the United States at no charge to the calling party.
- 3.2.2.2** This service must be available without requiring the State to change any existing toll free numbers.
- 3.2.2.3** Offeror must specify whether the toll free service can be routed to a standard Centrex line, DID line, PBX trunk, and ISDN PRI trunk.

3.2.2.4 Toll free service may be used in conjunction with multiple ACDs. Offeror must specify if toll free calls can be rerouted to another ACD if the first one is overloaded or out of service. Offeror also must explain how this is done and how long it takes.

3.2.2.5 Offeror should have the ability to block toll free access to callers within the local calling area of the State subscriber's telephone location.

3.2.3 Credit Card Calling

3.2.3.1 Calling card service must be provided 24 hours a day, 7 days per week, for direct dialed and operator assisted (person-to-person) interstate, interisland, and international calls from private and public telephones anywhere in the United States.

3.2.3.2 If calling cards are lost or stolen, the card must be canceled and replaced at no charge to the State. Also, worn or damaged cards must be replaced at no charge to the State.

3.2.4 Directory Assistance

3.2.4.1 Offeror must provide 24 hours a day, 7 days per week, directory assistance for interstate, international, and interisland telephone numbers.

3.2.4.2 Offeror must describe the dialing required to access its service.

3.2.4.3 Offeror shall provide the geographic locations and approximate number of employee and non-employee directory assistance operators at each location that will provide interstate, international, and interisland telephone numbers.

3.2.5 Operator Assisted Calling

3.2.5.1 Offeror must provide 24 hours a day, 7 days per week, interstate, international, and interisland operator assisted toll service. This operator assisted toll service must include person-to-person, station-to-station, collect-to-station, collect-to-person, international access, third number billing, and rate information.

3.2.5.2 Offeror must describe the dialing required to access its service.

3.2.5.3 Offeror shall provide the geographic locations and approximate number of employee and non-employee operators at each location that will provide interstate, international, and interisland operator assistance.

3.2.6 ISDN BRI and PRI Toll

3.2.6.1 Offeror must provide 24 hours a day, 7 days per week ISDN BRI and PRI toll service for interstate, international, and interisland calls.

3.3 NETWORK PROCESS

3.3.1 Interstate Network

3.3.1.1 Offeror shall provide an overview of its interstate network.

3.3.1.2 Offeror shall provide diagrams of its interstate fiber network and switch locations (diagrams may be combined with international diagrams).

3.3.2 International Network

3.3.2.1 Offeror shall provide an overview of its international network.

3.3.2.2 Offeror shall provide diagrams of its international fiber network and switch locations (diagrams may be combined with interstate diagrams).

3.3.3 Interisland Network

3.3.3.1 Offeror shall provide an overview of its interisland network.

3.3.3.2 Offeror shall provide diagrams of its interisland fiber network and switch locations.

3.3.4 Routing and Design

3.3.4.1 Offeror shall provide a minimum of three (3) diagrams, at least one (1) each for interisland, interstate, and international, showing how traffic is routed from the State, to the LEC, through the Offeror's network and to the destination. The diagrams should identify Offeror owned facilities (versus leased or other not owned facilities). The diagrams should show primary routing and if available secondary routing.

3.3.4.2 Offeror shall explain where its POPs are located in Hawaii and how the LEC connects to the Offerors network on each island (Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai).

3.3.4.3 Offeror must describe the design objectives used to minimize "all circuits busy" conditions on its network and the procedures used to insure these objectives are met. Offeror must provide its current performance including substantiating documentation.

3.3.4.4 Offeror must describe its design objectives for transmission quality and reliability, as well as, procedures to insure these objectives are met.

3.3.5 Interface Requirements

- 3.3.5.1** The State utilizes Centrex, key systems, PBXs, B1 lines, ISDN BRI, ISDN PRI, ACD, and other telephone services. The services provided by Offerors must interface with existing State telecommunications systems in a transparent manner that does not negatively impact State users or the network. The services provided must be compatible with the present dialing plan (see Exhibit 1 State Dialing Plan).
- 3.3.5.2** The Offeror's equipment and software must seamlessly integrate with the existing Hawaii Advanced Telephone System (HATS) Telephone Services contract with Hawaiian Telcom and Hawaiian Telcom's switching equipment located in central offices throughout the State at no charge to the State. It is anticipated that the HATS contract will expire during the term of this contract. Likewise, the Offeror's equipment and software must seamlessly integrate with the new telephone services contract and contractor at no charge to the State.
- 3.3.5.3** If the Offeror proposes dedicated access, it is responsible for ensuring that the existing HATS contractor and the future telephone services contractor provide the necessary billing data. (E.g. HATS contractor provides billing data for dedicated access trunks to allow billing by line.)

3.4 NETWORK PERFORMANCE

3.4.1 Circuit Parameters

Contractor shall provide equal or better service than those listed below.

<u>PARAMETER</u>	<u>SERVICE LEVEL</u>
Network Availability (The percentage of time that the service is operational. Applies to carrier IXC network.)	> 99.99%
Grade of Service (The probability that an attempted call will receive a busy signal during the busy hour, expressed as a decimal.)	< P.005
Troubles per 100,000 Calls (The number of complaints received in one month.)	< 4.3
Call Setup Time (Outbound Interstate & Interisland) (The amount of time it takes for a call to be established through the long distance carrier network.)	< 500 ms
Call Setup Time (Toll Free)	< 1 sec
Call Setup Time (Outbound International)	< 5 sec

Mean-Time-To-Repair < 2 hrs
(The monthly average repair time for all outages. Commencing when the trouble occurs and ending when service is restored.)

Average Speed of Answer < 3 sec
(Directory Assistance and Operator Assistance) (How many seconds it takes an operator on average to answer a call.)

3.5 BILLING

3.5.1 Call Timing

3.5.1.1 Billing of all calls must not begin until the called location has returned hardware answer supervision signaling to the originating central office.

3.5.1.2 The measured time shall be in minutes or minutes and seconds. The initial billing period for interstate and interisland calls shall be eighteen (18) seconds. For international calls, the initial billing period shall be thirty (30) seconds. The billing unit shall be six (6) seconds or less for all calls with fractions rounded up. For example, a call lasting one minute and five seconds, shall be billed for a maximum of one minute and six seconds of usage.

3.5.2 Monthly Invoices

3.5.2.1 The Offeror shall prepare monthly invoices for the separate billing units and addresses as directed by each purchasing jurisdiction. State departments usually require separate billing by division, branch or agency. Agencies are attached to departments for administrative support, but typically are special funded or receive separate appropriations. The State will provide contact names and telephone numbers to the winning Offeror if necessary. The existing billing should be used as a starting point.

Currently, the State has 1,901 billing accounts with Sprint. If the Contractor wishes to reduce the number of accounts, he must contact each department, agency, branch of government, or county, responsible for its own billing to obtain approval to do so.

3.5.2.2 The billing period must be from the first of the month to the end of the month.

3.5.2.3 Billing for all services must be on a monthly basis with bills rendered within 15 days after the end of the billing period.

3.5.2.4 The Offeror shall prepare monthly Detailed Billing Invoices in two (2) copies for each billing account.

The Offeror may prepare Summary Invoices in addition to the Detailed Billing invoice.

- 3.5.2.5** All monthly invoices must at a minimum identify the customer being billed, billing address, billing account number, billing telephone number (if used), the type of service being billed, the originating and terminating telephone numbers, terminating city, terminating state or country, call date, call origination time, call duration in minutes and seconds, and the amount billed.
- 3.5.2.6** Invoices shall be simple in format and easy for the customer to understand. If the Offeror uses company or industry specific wording (for example Universal Service Order Codes) on invoices, the Offeror shall provide definitions of the entries either on the Detailed Invoice each month or on a separate document / letter to each billing account at least every two (2) years. Also, the use of codes in place of product descriptions will not be acceptable.
- 3.5.2.7** The Offeror shall list all telephone numbers associated with the billing account either on the Detailed Invoice each month or on a separate document / letter to each billing account. The document / letter shall be sent either before the Installation Completion Date or no later than 10 days afterwards and every two (2) years thereafter. For example, if a billing account has nine analog lines and one multi-line, then it should list the 10 primary telephone numbers and all soft numbers on the multi-line phone. This will insure that billing accounts remain accurate.
- 3.5.2.8** The Offeror shall provide a draft monthly Detailed Billing Invoice and if utilized the separate document / letter to each billing account for review and approval by the Technical Representative prior to being sent to billing accounts.

3.5.3 Late Payment Charge

Contractors are reminded that the State, after physically receiving an invoice, has 30 calendar days to pay the bill without a late charge (Hawaii Revised Statutes §103-10). The contractor must not send out late payment letters or assess late charges until the 30 days has passed.

3.5.4 Education Discount

The Offeror must participate in the FCC e-Rate discount program for schools and libraries.

3.5.5 Billing Accounts

It is the responsibility of the Offeror to maintain accurate billing accounts and telephone numbers in each account.

3.6 CUSTOMER SUPPORT SERVICE

3.6.1 Customer Service Representatives

- 3.6.1.1** Offeror must have full-time Customer Service Representatives (CSRs), preferably located in the State of Hawaii, who are ready to take calls during regular State working hours (Monday through Friday, 7:45 a.m. - 4:30 p.m., except State holidays). The CSRs must be very knowledgeable about the State's account.

Secondarily, the Offeror must have full-time CSRs, preferably located in the State of Hawaii, who are ready to take trouble calls 24 hours a day, 7 days per week, as the State has workers on shifts, flex time, and overtime who may report a long distance problem.

- 3.6.1.2** CSRs should be responsible for receiving and resolving long distance problems, correcting billing errors, granting credit for interrupted or poor quality long distance calls, correcting customer accounts, providing technical information, and answering user questions.
- 3.6.1.3** The Offeror shall provide the name of the Customer Service Center, address, telephone number (for center), facsimile number, hours of operation, number of CSRs, and explain their major duties under OFFEROR QUALIFICATIONS on OFFER FORM page OF-2. If there is more than one center, make separate entries for each.
- 3.6.1.4** Offeror shall have a minimum of one (1) full-time CSR or technical support person located in the State of Hawaii, dedicated to the State's account, for the duration of the contract.

For full-time CSRs or technical support personnel dedicated to the State's account, the Offeror shall provide the name, title, address, telephone number, cellular number, and explain their major duties under OFFEROR QUALIFICATIONS on OFFER FORM page OF-2. Make separate entries for each person.

3.7 NETWORK MANAGEMENT

3.7.1 Monitoring and Reporting

- 3.7.1.1** Offeror shall provide network monitoring and management of the State's long distance services 24 hours a day, 7 days per week for alerts, alarms, congestion, outages, and other potentially service affecting issues.

Offeror must respond to both network trouble reports (a problem that affects multiple lines, an entire area, or a percentage of users) and individual line trouble reports within one hour of the time the problem is detected by the Offeror's monitoring and management equipment or of being notified by the State's Customer Equipment Support Unit (CESU), Assistance Center (AC), or customer by telephone. For purposes of definition, a "response" is considered to be the actual physical process of resolving the problem and not merely the process of taking the report for later action.

- 3.7.1.2** Offeror shall take immediate corrective action to resolve any network failure, such as rerouting traffic, utilizing a redundant facility, and all other steps required for the immediate re-instituting of services to the State. A verbal report of trouble clearance shall be furnished within one (1) hour of the network trouble clearance to CESU and the Technical Representative. A voicemail message should be left if the call is made outside of regular State working hours (Monday through Friday, 7:45 a.m. - 4:30 p.m., except State holidays). A written report (trouble ticket) listing the report number, date and time of notification, response time, restoration of service date and time, and a description of the identified trouble shall be provided to the State within three (3) working days after the network trouble is cleared. These reports shall be submitted via U.S. Mail, facsimile, or e-mail to:

Telecommunications Services Branch
Attn: Technical Representative Long Distance Contract
1177 Alakea Street, Room 201
Honolulu, Hawaii 96813

Phone: (808) 586-1930x617 or 699
Fax: (808) 586-1962
E-mail: Address to be provided to winning Offeror.

For individual line trouble, a verbal report of trouble clearance with the report number shall be furnished within one (1) hour to the customer that reported the trouble and CESU.

- 3.7.1.3** If the Offeror determines that the problem exists within the LEC's network, the Offeror must pursue the problem with the LEC until the problem is resolved. Offeror shall keep CESU apprised of the actions being taken until the problem is corrected.
- 3.7.1.4** Offeror must describe the escalation procedure available to the State in the event the State deems progress on problem resolution to be unsatisfactory.

3.7.2 Management Reports

- 3.7.2.1** Offeror shall provide to the Technical Representative a monthly database file (preferably in Microsoft Access) of billing for all purchasing jurisdictions covered in this IFB on a CD, Internet accessible file, or mutually agreeable media. It is expected that the database file will summarize the Detailed Billing Invoices. The database file should contain calling information by account number, department or agency, access type (switched, dedicated, toll free, calling card, etc.), by destination (interisland, interstate and international), number of calls, minutes of use, and cost of calls. The database file shall be available to the Technical Representative within fifteen (15) days after the end of the billing period.
- 3.7.2.2** Offeror may provide a software program to allow the Technical Representative to analyze the database information. It should be able to perform database queries and create reports.
- 3.7.2.3** For each toll free number, Offeror should provide to the State customer a monthly usage report containing information on the number of calls, caller origination numbers, origination city and state/country, distribution of calls by interisland/interstate/international, peak and overall traffic volume, calls blocked, longest calls, minutes used, and cost.
- 3.7.2.4** Offeror shall provide an annual report to the Technical Representative (either at the end of the calendar year or beginning twelve (12) months from the Installation Completion Date), which summarizes calling information by the type of call, destination (interisland, interstate and international), total number of calls, total minutes of use, and total cost of all calls.
- 3.7.2.5** After giving forty-five (45) days notice, the Technical Representative may request Offeror to provide a list of customers, billing addresses, account numbers, billing telephone numbers if used, and telephone numbers on each account. It is desirable that the Offeror be able to provide the physical address where service is provided to each account.
- 3.7.2.6** What other management reports can the Offeror provide?

3.7.3 Outages

If Offeror has a major outage (when more than 25% of service is disrupted), the Offeror shall refund to the State the approximate cost of \$500 per incident. If the Offeror has a minor outage (when 5% to 25% of service is disrupted), Offeror shall refund to the State \$300 per incident.

3.7.4 Interrupted Calls and Bad Connections

- 3.7.4.1** Offeror shall provide a credit for the call charges when a call is interrupted or the transmission quality is so poor that the call must be redialed.

3.7.4.2 Offeror shall explain how it will handle credits.

3.7.5 Traffic Studies

During the period of the contract, the Offeror shall conduct traffic studies at least every twelve (12) months from the installation completion date or upon written notification from the State and forward the results to the Technical Representative no later than fifteen (15) days after the date of the study. The traffic information may include, but is not limited to, PEG counts (attempts), usage, and overflow data for the long distance access trunks for each hour throughout the business day. Adjustments to the number of circuits will be based on these traffic studies. Offeror shall be responsible to increase the number of trunks to meet the technical circuit specification for grade of service (GOS) at no additional cost to the State.

3.7.6 Toll Fraud

The Offeror shall describe the toll fraud detection and prevention features of its network. The Offeror shall be proactive in detecting toll fraud and hacker activities and notify the State, as soon as possible, whenever a suspicious calling pattern is detected on a State line. The Offeror must explain what fraud charges will be covered and what will be the responsibility of the State.

3.8 DISASTER RECOVERY PLAN

Offeror shall provide a Disaster Recovery Plan that explains the restoration of services in case of a catastrophic outage like a circuit cut or power interruption. The plan should discuss alternate routing and the timelines or triggers for activating these routes in the event of an outage.

3.9 IMPLEMENTATION PLAN

The Offeror shall submit an Implementation Plan that describes the tasks, personnel proposed to perform each task, estimated hours to perform the task, resources required, and deliverables required for installation of the proposed system. The Offeror shall include a project organization chart with the reporting relationships of project team members and other key personnel.

A schedule must be included which shows all major tasks and the time period to complete the tasks. The Offeror will also identify and describe all risk factors associated with the schedule.

The Offeror shall identify the tasks the State is expected to perform to successfully implement the new system.

It is essential that the installation of the new system be as transparent as possible to the users. The bidder shall minimize telephone service interruptions, changes in dialing procedures, and perceived degradation in the quality of service.

The installation plan will be reviewed and approved by the Technical Representative prior to the Installation Start Date.

3.10 ACCEPTANCE TESTING PLAN

Within 30 days of Notice of Award, the Offeror must provide an Acceptance Testing Plan to assure the State that its long distance telephone services meet all of the performance requirements contained in this IFB. The Technical Representative shall review and approve the testing plan that the system must pass before being considered acceptable.

After installation completion of any portion of the system, the Contractor shall conduct acceptance tests for performance and reliability with manufacturer system performance specifications. The Contractor shall provide all test equipment and accessories required to perform tests and to record test results. The Contractor must ensure that all associated costs (e.g. travel), for the participation at all acceptance testing, are included within its total proposal cost. The Contractor shall notify the State at least two weeks prior to conducting any testing. The State reserves the right to witness any or all testing. If, during the conduct of testing, test items fail to meet performance requirements, the Contractor shall correct the deficiencies and repeat testing of all affected items.

At the completion of each test increment, the Contractor shall submit an Acceptance Test Report to the Technical Representative showing the contractor's functional specifications and the test results. The Contractor shall demonstrate acceptable performance over a thirty (30) consecutive calendar day period after Installation Completion Date.

Acceptance of the system shall be granted after all equipment has passed the acceptance tests set forth by the contract, a satisfactory final inspection, and has been in operation thirty (30) consecutive calendar days without a major or minor loss of service.

The Contractor shall perform operational and maintenance tests throughout the life of the contract to ensure compliance with performance requirements. These tests shall be conducted on a regularly scheduled basis and the results provided to the Technical Representative annually. The Contractor shall be responsible for developing these procedures and conducting testing. Procedures developed by the Contractor shall be submitted to the Technical Representative for approval.

Offeror shall submit an acceptance testing plan outline as part of its Phase I – Technical Proposal to demonstrate an understanding of the requirement.

3.11 TRANSITION PERIODS

3.11.1 Transition at Beginning of Contract

The Contractor shall work with the current provider to insure a smooth transition for State users.

3.11.2 Transition at End of Contract or Termination

The Contractor shall work with the follow-on provider to insure a smooth transition between the two companies at no cost to the State. This should include the production of customer billing records (customer names, billing addresses, physical addresses, billing numbers, all telephone numbers linked with the billing number, type of service, etc.) and other information necessary for a smooth transition, at no cost to the State.

If requested by the State, the Contractor shall continue to provide long distance services, for a transitional period of up to one (1) to one hundred-eighty (180) calendar days at locations designated by the State beyond the expiration date of the existing contract or as extended or upon termination, until new services are fully operational. The Contractor will be reimbursed for this service at the same contract rate of the just expired contract when this transitional period clause is invoked by the State.

3.12 PRICING CAP

3.12.1 Maximum Rates

All rates listed on the Offer Form pages shall be the maximum rates chargeable by the Offeror to the State during the life of the contract except rates described in Section 3.13.2, All Other Charges.

3.12.2 Rate Increases

Any increase to the listed rates during the period of the contract shall be borne by the Offeror and shall not be passed on to the State except rates described in Section 3.13.2, All Other Charges.

3.12.3 Rates to the General Public

If, at any time during the life of the contract, there is a general price decline for similar customers below the rates offered herein, the Offeror is bound to charge the State the lesser rates. Offeror shall notify the Contract Administrator and the State Procurement Officer in writing within five (5) business days of any price decline.

3.13 OTHER CHARGES

3.13.1 PIC Charges

The Offeror shall be responsible for all PIC charges. This includes the one time LEC charge to change from one long distance carrier to another, monthly IXC presubscribed line charges, and other non-usage charges. The State will not pay any PIC charges.

The Offeror shall be responsible for the PIC charges to convert all lines to the Offerors PIC code at the initial transition of service to the Offeror and for the duration of the contract.

3.13.2 All Other Charges

"All Other Charges" shall include all applicable taxes, regulatory fees, and charges and shall be listed on OFFER FORM Schedule C. The Offeror shall assess the State only those charges listed at the rates indicated on the offer form page. Any new taxes, regulatory fees, and charges or changes to these may be negotiated with the CA or his designated representative at least thirty (30) days prior to billing the State. Any charge increases not approved by the CA shall not be allowed.

3.14 OFFEROR REQUIREMENTS

The Offeror shall explain what the State must provide for the Offeror to install its equipment and to provide the services requested in this IFB. For example, space for equipment (identify locations), electrical power, wiring, conduits, and other requirements.

SECTION FOUR

MULTI-STEP BIDDING PROCESS

4.1 MULTI-STEP BIDDING PROCESS

This solicitation is a two-step Invitation for Bids that requires Offerors to submit an unpriced Technical Proposal and a Priced Bid.

4.1.1 Phase I – Technical Proposals:

- Unpriced Technical Proposals are to be submitted in Phase I.
- The State may conduct confidential oral or written discussions to facilitate understanding of the unpriced Technical Proposal, and if necessary, to obtain supplemental information, permit amendments, or amend the purchase description.
- Upon written request, if oral or written discussions are not conducted, Offerors that submit technical proposals shall be given the opportunity to review the evaluation of their technical proposal offer with the evaluation committee to discuss the evaluation of its proposals, at least five (5) working days prior to submittal of priced bids (See HAR §3-122-61.07-2)
- The service being procured shall be furnished in accordance with the unpriced Technical Proposal found to be finally acceptable and meeting the requirements of the IFB.

4.1.2 Phase II – Priced Bids:

- Priced Bids will be accepted by the State only from Offerors whose unpriced Technical Proposals are found acceptable in Phase I.
- The State may conduct confidential oral or written discussions to facilitate understanding of the Priced Bid, and if necessary, to obtain supplemental information, permit amendments, or amend the purchase description.

4.2 PHASE I: TECHNICAL PROPOSAL

When an Offeror submits a proposal, it shall be a complete solution for providing long distance telephone services including all required information, signatures, etc. as required by the solicitation (incorporating all solicitation Addenda). Proposals shall be prepared in a straightforward and concise manner, and shall describe the offerings and capabilities in a format that is reasonably consistent and appropriate to the purpose. Emphasis shall be on completeness and clarity of content. If any additional information is required by the State regarding any aspect of the Offer's proposal, it shall be provided within ten (10) business days after request.

The proposal must be clearly labeled with IFB-07-008-SW, title of proposal, Offeror name, and Offeror address. The proposal shall be submitted in hardcopy on standard 8½" x 11" paper in three-ring binders, organized into sections, with tabs separating each section; except charts, diagrams, and spreadsheets, etc., which may be foldouts. If foldouts are used, the folded size must fit within the 8½" x 11" format. Each page and section shall be numbered using a consistent numbering scheme. This scheme shall also be used for all supporting documentation such as references, charts, and figures.

In Phase I, the Offeror shall submit an unpriced Technical Proposal, by the date and time indicated on the Timetable or as amended. The Technical Proposal shall not be opened publicly, but shall be opened in the presence of two or more state officials. Proposals and modifications shall be shown only to members of the evaluation committee and state personnel or their designees having legitimate interest in them. The Technical Proposal will be evaluated solely in accordance with the criteria set forth in the IFB. Offeror shall submit one (1) original, four (4) copies, and one (1) CD without copy protection. The original shall be clearly marked "ORIGINAL" and copies shall be clearly marked "COPY." It is imperative that the Offeror submit only one original and the required number of copies. DO NOT SUBMIT MORE THAN ONE ORIGINAL. The State will not provide any reimbursement for the cost of developing, presenting, or submitting any proposal in response to the IFB.

Offerors are urged to review Section 5.34, Confidentiality of Material, regarding material that may be considered by the Offeror to be confidential.

4.3 CONTENTS OF TECHNICAL PROPOSAL

The Technical Proposal shall include and be submitted in the order listed below:

4.3.1 Table of Contents

The Table of Contents should identify all major elements of the proposal.

4.3.2 Transmittal Letter

The Transmittal Letter should be addressed to the Procurement Officer. The letter will include the complete name and address of Offeror's firm; the signature and title of a person who is authorized to bind the Offeror's firm contractually; the name, title, mailing address, telephone number, and fax number of the person the State should contact regarding the Offeror's proposal; and confirm that the Offeror shall comply with all of the provisions of this IFB.

4.3.3 Executive Summary

The Executive Summary should provide a profile of the Offeror's history, experience, organization and resources within the State, and capability to meet the requirements of the solicitation. The summary should explain the key benefits of your proposal to the State and why your proposal should be selected over other Offeror's proposals.

4.3.4 Technical Requirements

The Technical Requirements response demonstrates the Offeror's understanding of and ability to meet all Section Three, Technical Requirements.

The words "shall" or "must" in this IFB indicate mandatory requirements. There are other requirements the State considers important, but not mandatory. The Offeror must respond in a concise manner to each section of this document. The Offeror may respond at the end of each numbered section or alternatively to each paragraph, but must be consistent throughout the proposal. Failure to address any item shall be interpreted as an Exception.

Indicate the level of compliance with:

- "Acknowledge." – The Offeror has read and understood the information provided; however, no action is required of the Offeror.
- "Comply." – Offeror meets the specification.
- "Exception." – Offeror does not meet or is unable to meet any term, condition, specification, or other requirement listed. Offeror shall explain the exception taken and the proposed alternative, if any. However, no exceptions shall be accepted unless approved by the State via addendum.
- "Not applicable." – The Offeror shall explain why the specification either does not apply or is not necessary for the Offeror's proposal.

In addition to stating the level of compliance, the technical response to each numbered section shall include a detailed discussion of the Offeror's approach to accomplishing the required work described in this IFB when appropriate. The technical response section should describe the methodologies, processes, and procedures that the Offeror's proposed organization will follow to complete the required work.

4.3.5 Subcontractors

Primary Offerors may create partnerships with subcontractors. A primary Offeror may submit only one (1) proposal.

If subcontractor(s) are used, a statement from each subcontractor shall be included in the proposal, signed by an individual authorized to legally bind the subcontractor, and stating:

- The subcontractor's name, mailing address, telephone number, fax number, and contact person.
- The general scope of work to be performed by the subcontractor.
- The subcontractor's willingness to perform the work indicated. The Offeror shall provide a list of similar work performed by the subcontractor.

4.3.6 Offer Qualifications, Client References, Wage Certificate, and Schedule C

Offerors shall complete OFFER FORM pages (OF-1 through OF-3, Wage Certificate, & OF-8) that contain the Initial Offer Page, Offeror Qualifications, Wage Certificate, and Schedule C All Other Charges.

Offeror shall list all taxes, fees, and charges that it intends to propose on OFFER FORM Schedule C, page OF-8. Do not fill in the Rate or Total columns for the Phase I – Technical Proposal.

4.3.7 Reference Pages

Offeror shall submit Reference Pages explaining all (Schedules A, B, & C) listed items and how the rate will be applied. The Reference pages should be clearly linked to each item. For Schedule C, Offeror shall clearly describe each item in detail and explain to which traffic or services the taxes, fees, and charges will be applied.

4.3.8 Confidential Information

If Offeror believes that any portion of its proposal, offer, specification, protest, or correspondence contains information that should be withheld as confidential, the Offeror shall place all Confidential Information in this tabbed section. The Offeror shall provide a justification for each item. Price is not considered confidential and shall not be withheld.

4.4 EVALUATION CRITERIA

The Evaluation Committee shall use the criteria listed below in its review and evaluation of the Technical Proposals submitted.

4.4.1 Technical Requirements

- Has the Offeror demonstrated a thorough understanding of the scope of the project and the services the State expects it to provide?
- Is the Offeror able to provide the network services requested?
- To what degree is the Offeror's interstate, international, and interisland network able to provide the services requested?
- Is the Offeror able to meet or exceed the network service levels?
- Is the Offeror able to meet the Billing specifications?
- To what degree does the Offeror meet the Network Management requirements specified?

4.4.2 Responsiveness of the Proposal

- Does the Offeror provide a complete answer to each requirement?
- What exceptions have been taken, alternatives proposed, and assumptions made?
- How well has the Offeror identified pertinent issues and potential problems?

- What advantages, deficiencies, and alternatives are offered by the Offeror's plan?

4.4.3 Ability to Operate and Maintain the Service

- How many service personnel does the Offeror have and is this reasonable for servicing the project?
- Where are the service personnel located to handle the demands expected under the contract?
- Can the Offeror meet the Repair response time requirements?
- Can the Offeror meet the Customer Service, Billing, and Management Reporting requirements?
- Are escalation procedures detailed and workable?
- What is the Offeror's record of responsive installation, maintenance, and billing service?
- Do the Client References support the Offeror's ability to perform the required work?

4.5 REVIEW OF TECHNICAL PROPOSAL

4.5.1 The State will establish an Evaluation Committee to evaluate the Technical Proposals using the evaluation criteria set forth in Section 4.4. The unpriced Technical Proposals shall be initially categorized as; 1) Acceptable, 2) Potentially Acceptable, or 3) Unacceptable.

4.5.2 All responsible offerors who submit acceptable or potentially acceptable proposals are eligible for the priority list. The State may conduct confidential oral or written discussions with any Offeror who submits an Acceptable or Potentially Acceptable unpriced technical proposal. No comments regarding other Offerors or their proposals are permitted and Offerors may not attend presentations by their competitors. Following discussions, if any, the State will issue and distribute Addenda to the IFB if necessary. The Addenda may modify IFB requirements. The Addenda, if any, will be issued and distributed only to Offerors who submitted Acceptable or Potentially Acceptable unpriced Technical Proposals.

4.5.3 The Offeror may respond to any Addenda issued or notification of defects with a revised proposal or an amendment. Any amendment shall be clearly identified as such and shall identify the section and describe in detail the modifications offered to the previously submitted Technical Proposal. The deadline for submission of a revised proposal or amendment shall be provided by the State as applicable.

4.5.4 Based upon the Technical Proposals submitted, discussions with Offerors, revisions, and amendments, the Evaluation Committee shall determine whether the Technical Proposals are acceptable or unacceptable. A Technical Proposal must meet all specifications without exception to be classified as acceptable. Offerors submitting Unacceptable Proposals will be notified in writing that they are ineligible to participate in Phase II.

4.6 PHASE II: PRICED BID

- 4.6.1** In Phase II, the State will open the Priced Bids submitted by offerors whose Technical Proposals were found to be acceptable in accordance with the evaluation criteria.
- 4.6.2** Offeror shall submit one (1) original and four (4) copies of Offer Form Pages OF-4 through OF-8, and any other required documents as amended. The original shall be clearly marked "ORIGINAL" and copies shall be clearly marked "COPY."
- 4.6.3** Award will be made to the Offeror submitting the lowest Priced Bid in support of an Acceptable Technical Proposal.
- 4.6.4** Offerors are invited to attend the opening of Priced Bids. The State shall open all Priced Bids at the date and time indicated in Section One, Timetable, or as amended.
- 4.6.5** The State may conduct confidential oral discussions with any Offeror to clarify the contents of the its Priced Bid, if necessary.

SECTION FIVE

SPECIAL PROVISIONS

5.1 SCOPE

The providing of equal access long distance telephone services for the Hawaii State Government shall be in accordance with these Special Provisions, the attached Specifications, and the GTC, included by reference and available at the SPO, the Department of Accounting and General Services District Offices on Hawaii, Maui and Kauai, and on the SPO website: http://www4.hawaii.gov/bidapps/general_terms.cfm

A SPO price list will be issued as a result of any awards made for this IFB. Participating agencies will order on an "as needed" basis during the term of the contract.

5.2 TERM OF CONTRACT

Offeror shall enter into a contract for an operational period of thirty-six (36) months, commencing upon the Installation Acceptance Date.

The contract may be extended by the State without the necessity of re-bidding for up to three (3) additional twelve (12) month periods, or parts thereof, provided that the contract price for the extended periods shall remain the same or as adjusted in accordance with the price adjustment provisions listed herein and/or by State initiated contract modifications.

The State or the Contractor may terminate any extended contract period upon at least three hundred sixty-five (365)-calendar days prior written notice.

5.3 CONTRACT ADMINISTRATOR

For purposes of this contract, Mr. Lester Nakamura, ICSD Administrator or his appointed representative of the ICSD, telephone (808) 586-1910, is the designated Contract Administrator.

The Technical Representative for the State is Mr. Christopher Lai or the Telephone Engineer, telephone (808) 586-1930 extension 617.

5.4 STATE'S COMMITMENT

In return for prices submitted, jurisdictions listed below will purchase all of their long distance services (interstate, international, and specific interisland) from the successful low Offeror.

- Executive Branch & Agencies
- Department of Education
- Elements of the University of Hawaii
- Legislative Branch
- Judiciary Branch
- Office of Hawaiian Affairs

- County of Kauai
- County of Maui
- County of Hawaii

The University of Hawaii (UH) has a separate long distance contract with Sprint covering campuses on the Islands of Oahu, Maui, and Kauai where it has PABXs and VoIP systems. The UH will not participate at these locations.

UH Hilo, Community Colleges, and UH offices on the islands of Hawaii, Molokai, and Lanai will participate.

In addition, the UH will participate at all other locations on Oahu, Maui, and Kauai where it is receiving Centrex service under the HATS contract.

All interisland calling by the Judiciary and Counties will be covered by this contract. The HATS contract with Hawaiian Telcom allows for 5-digit and 8-1-808 interisland calling for State Executive Branch, Department of Education, Legislative Branch, Office of Hawaiian Affairs, and elements of the UH with Centrex service. The estimated minutes on the Offer Form sheets already exclude this traffic and accurately reflect the expected interisland calling under this contract.

When the services provided herein is not suited to the agency's purpose, the Chief Procurement Officer of each purchasing jurisdiction may grant an exception to this commitment.

During the 36-month period of the contract and any extensions, agencies that may require long distance service provided in the contract, may be added to this contract if mutually agreed by both the Contractor and the State. The contractor shall provide the long distance service upon receiving upon written authorization/contract modification for these services by the Procurement Officer. Charges to the agency shall be computed based the rates listed on the appropriate Offer Form page(s).

5.5 OFFEROR QUALIFICATION & REFERENCES

Offeror must have been doing business in the State of Hawaii for the past one (1) year period, performing work similar to that specified herein.

1. Offeror shall list on the appropriate Offer Form page, four Client References for whom work has been provided. Offeror shall include this information in its Technical Proposal submittal or any amendment to its original Technical Proposal or any revised Technical Proposal. The State reserves the right to contact any of the listed companies to inquire about the Offeror's performance on those projects.

2. Offeror must be licensed by the Federal Communications Commission as a common carrier on a nationwide basis and possess all other State and Federal licenses required of a common carrier of intralata, interstate and international telecommunications services. Furthermore, by submitting a proposal for the requested service, the Offeror hereby certifies that it or its carrier is currently in compliance with all FCC and PUC rules and regulations for long distance telephone service. Any failure on the part of the Offeror or its carrier to continue such compliance shall be cause for termination of the contract. Offeror must submit a copy of Hawaii PUC Certificate of Public Convenience and Necessity (CPCN) or Certificate of Authority (COA) with its Technical Proposal.

The State will accept the docket number, decision and order number, and a brief summary. The State does not want to receive a voluminous copy of a docket application and decision and order granting a CPCN or COA.

3. Offeror shall comply and must meet all requirements listed in Section 3, Technical Requirements.

5.6 DOWNLOADED SOLICITATION

Offeror is advised that if interested in responding to this solicitation, Offeror may choose to submit its offer on a downloaded document **provided** Offeror registers its company by fax or e-mail for this specific solicitation. If Offeror does not register its company, Offeror will not receive addenda, if any, and its offer may be rejected and not considered for award.

5.7 SUBMISSION OF OFFER

Offers shall be received at the SPO, 1151 Punchbowl Street, Kalanimoku Building, Room 416, Honolulu, Hawaii 96813, no later than the date and time stated on the cover page of the IFB. Timely receipt of offers shall be evidenced by the date and time registered by the SPO time stamp clock. Offers received after the deadline shall be returned unopened.

If the Offeror chooses to deliver its offer by United States Postal Service (USPS), please be aware that the USPS does not deliver directly to Room 416. This may cause a delay in receipt by the SPO and the offer may reach the SPO after the deadline, resulting in automatic rejection.

Potential Offerors are advised to contact the State Procurement Office to insure that Offeror's name, address, telephone and facsimile number(s) are on record for addenda distribution. The State shall not be responsible for distribution of addenda to those potential Offerors who have not provided this information to the SPO.

Submission of a technical offer shall constitute an incontrovertible representation by the Offeror of understanding, acceptance, and compliance with every requirement of this IFB unless otherwise noted as specified herein, and that the IFB documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work.

5.8 CERTIFICATION OF INDEPENDENT COST DETERMINATION

By submission of a bid in response to this IFB, bidder certifies as follows:

1. The costs in this IFB have been arrived at independently, without consultation, communication, or agreement with any other bidder, as to any matter relating to such costs for the purpose of restricting competition.
2. Unless otherwise required by law, the cost which have been quoted in this IFB have not been knowingly disclosed by the bidder prior to award, directly or indirectly, to any other bidder or competitor prior to the award of the contract.
3. No other attempt has been made or will be made by the bidder to indicate any other person or firm to submit or not to submit for the purpose of restricting competition.

5.9 BID PREPARATION

Offer Form, Page OF-1. Offeror is requested to submit its offer using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the first page of the Offer Form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

Tax Liability. Work to be performed under this solicitation is a business activity taxable under Chapter 237, HRS, and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the current 4% rate. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

Taxpayer Preference. For evaluation purposes, pursuant to §103D-1008, HRS, the Bidder's tax-exempt price offer submitted in response to an IFB shall be increased by the applicable retail rate of general excise tax and the applicable use tax. Under no circumstance shall the dollar amount of the award include the aforementioned adjustment.

Purchasing Card (pCard). Bidder is informed that all agencies of the Executive branch with the exception of the University of Hawaii, the Department of Education, and the Office of Hawaiian Affairs, shall use the State's purchasing card (pCard) for all orders totaling less than \$2500.

Therefore, Offeror is advised to consider the cost of transaction fees in determining its unit bid price in response to this solicitation. The State shall not pay any transaction fees for its purchases. In addition, the State shall not accept any offer requiring a minimum purchase before acceptance of the pCard.

Agencies may continue to issue purchase orders for their transactions with those contract vendors who do not accept the pCard or who assess customers for credit card usage or who require minimum orders before accepting the pCard. Agencies have also been instructed to indicate on the purchase order(s) the reason for not using the pCard when applicable.

Bid Quotation. Bid rates shall include all services, labor, materials, supplies, equipment, travel, overhead, profit, and all applicable taxes and charges except those charges identified in Section 3.13 Other Charges. Total Schedule Price Summary shall be the all-inclusive rates to the State, and no other charges will be honored. All Bid rates shall be rounded to the nearest hundredth place (two decimal places).

Wage certificate. Refer to Section 2.8 of the GTC. The Offeror shall complete and submit a Wage Certificate by which the Offeror certifies that services required will be performed pursuant to §103-55, HRS. Offeror is advised that although item 2 of the Wage Certificate is not applicable to this solicitation since there are no public sector employees performing work similar to the requirements herein, item 1 of the certificate applies and therefore submission of the Wage Certificate is required.

Original Technical Proposal and Copies to be Submitted. Offeror shall submit one (1) original proposal marked "ORIGINAL" and four (4) copies. Offeror shall submit one (1) CD of the proposal. DO NOT SUBMIT MORE THAN ONE ORIGINAL.

Offeror is encouraged to submit typewritten offers. If handwritten, it should be clearly printed. Offeror is cautioned that illegible offers of any item(s) may be automatically rejected to avoid any errors in interpretation by the reviewers during the evaluation process.

Failure to include the items requested in Offeror's technical proposal may be cause for the proposal to be determined non-responsive and rejected.

Costs for developing the technical proposal are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii will not reimburse such costs.

All technical proposals submitted become the property of the State of Hawaii.

Packaging of Proposal. The envelope containing the technical proposal (Phase I) and the subsequent priced bid (Phase II), if any, shall be sealed and clearly marked as follows:

- (Name of Offeror)
- (Offeror's Mailing Address)
- (Offeror's Telephone No.)
- (Offeror's Facsimile No.)
- IFB-07-008-SW
- Sealed Technical Offers To Provide Telephone Services for Hawaii State Government
- (Bid Opening Date and Time)

Offer Guaranty. A bid security deposit is NOT required for this IFB.

5.10 AWARD OF CONTRACT

Method of Award. Award, if made, shall be to the responsive and responsible Offeror submitting the lowest technically qualified Total-Scheduled Price Summary. Offeror shall submit bid prices for all items in order to qualify for award.

Responsibility of Lowest Responsive Bidder. Reference §103D-310(c), HRS. If compliance documents have not been submitted to the SPO prior to award, the lowest responsive offeror shall produce documents to the procurement officer to demonstrate compliance with this section.

HRS Chapter 237 tax clearance requirement for award. Instructions are as follows:

Pursuant to §103D-328, HRS, lowest responsive Offeror shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate. It must be valid on the date it is received by the SPO.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX *TAX CLEARANCE APPLICATION* Form A-6 (Rev. 2003) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information): http://www.hawaii.gov/tax/a1_1alphalist.htm

DOTAX Forms by Fax/Mail: (808) 587-7572
1-800-222-7572

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, to the address listed on the application. Facsimile numbers are:

DOTAX: (808) 587-1488
IRS: (808) 539-1573

The application for the clearance is the responsibility of the Offeror, and must be submitted directly to the DOTAX or IRS and not to the SPO. However, the tax clearance certificate shall be submitted to the SPO.

HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award. Instructions are as follows:

Pursuant to §103D-310(c), HRS, the lowest responsive Offeror shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the SPO. A photocopy of the certificate is acceptable to the SPO.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR *APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR*, Form LIR#27 which is available at <http://hawaii.gov/labor/formsall.shtml> or at the neighbor island DLIR District Offices. The DLIR will return the form to the Offeror who in turn shall submit it to the SPO.

The application for the certificate is the responsibility of the Offeror, and must be submitted directly to the DLIR and not to the SPO. However, the certificate shall be submitted to the SPO.

Compliance with Section 103D-310(c), HRS, for an entity doing business in the State. The lowest responsive Offeror shall be required to submit a *CERTIFICATE OF GOOD STANDING* (Certificate) issued by the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division (BREG). The Certificate is valid for six months from date of issue and must be valid on the date it is received by the SPO. A photocopy of the certificate is acceptable to the SPO.

To obtain the Certificate, the Offeror must first be registered with the BREG. A sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate.

On-line business registration and the Certificate are available at www.BusinessRegistrations.com. To register or to obtain the Certificate by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). Offerors are advised that there are costs associated with registering and obtaining the Certificate.

Hawaii Compliance Express. Alternately, instead of separately applying for these certificates at the various state agencies, vendors may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.ehawaii.gov> to acquire a "Certificate of Vendor Compliance." The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of §103D-310(c), HRS, shall be accepted for both contracting purposes and final payment. Vendors that elect to use the new HCE services will be required to pay an annual fee of \$15.00 to the Hawaii Information Consortium, LLC (HIC). Vendors choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the sections previous to this one.

Timely Submission of all Certificates. The above certificates should be applied for and submitted to the SPO as soon as possible. If a valid certificate is not submitted on a timely basis for award of a contract, an offer otherwise responsive and responsible may not receive the award.

5.11 PRICING ADJUSTMENT

The Contractor shall assess the State only those charges listed at the rates indicated on the appropriate OFFER FORM pages. All services, labor rates, and equipment/material prices listed on the Offer Form pages shall be the maximum rates chargeable by the contractor to the State during the life of the contract. No increase adjustments are allowed.

Any new regulatory fees, regulatory charges, and taxes or any changes to these (decreases and increases) during the contract period or extensions shall be submitted in writing, at least thirty (30) days prior to the effective date, to the CA, for review and approval for billing to the State. The Contractor shall provide a detailed justification and documentation to support any price adjustment requests. The Contractor shall absorb any new regulatory fees, regulatory charges, and taxes or any changes to these that are not approved by the CA. If the Contractor fails to provide thirty (30) days notice prior to the effective date for billing, the Contractor shall adjust its billing to allow for the 30-day period.

If a regulatory fee, regulatory charge, or tax changes regularly, the Contractor and the CA may agree to streamline the process and reduce the thirty (30) day notice period on a case-by-case basis.

After being awarded the contract, the Contractor may propose modifications to add new items to replace equipment or materials due to obsolescence or new technology. Similarly, the Contractor should propose modifications to delete items that are obsolete, manufacturer discontinued, or no longer being supported.

The Contractor may propose additional items or enhancements to provide State users a selection to choose from.

Such changes shall be submitted in writing with a detailed justification and documentation, at least thirty-30 days prior to the effective date, to the CA, for review and approval.

In the event of a general price decline in any rates applied to customers similar to the State, these rate reductions shall also be applied to the rates assessed to the State.

Increases and decreases shall be made only upon written authorization/contract modification per Section 5.27.

5.12 SUBCONTRACTING

The Offeror shall not delegate any duties listed in this IFB to any subcontractor other than those listed in Section 4.3.5, Contents of Technical Proposal. The State reserves the right to approve all subcontractors and to require the primary Offeror to replace any subcontractors found to be unacceptable. The primary Offeror will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary Offeror performs them.

5.13 ACCEPTANCE OF OFFER

Acceptance of offer, if any, will be made within 120 calendar days after the opening of offers, and the prices quoted by the Offeror shall remain firm for the 120 calendar day period.

5.14 NOTICE TO PROCEED

Installation work will commence on the official commencement date specified on the Notice to Proceed.

No work is to be undertaken by the contractor prior to the official commencement date on the Notice to Proceed. The State is not liable for any work, contract, costs, expenses, loss of profits, or any damage whatsoever incurred by the contractor prior to the work start date.

5.15 INSTALLATION

Installation shall begin on the official commencement date on the Notice to Proceed and be completed by Installation Completion Date based upon the Offeror's Implementation Plan (see Section 3.9).

If the contractor is unable to complete installation by the Installation Completion Date, a revised date may be negotiated with the CA. The Contractor, however, may be subject to liquidated damages as specified in Section 5.24.

The contractor shall submit written notification to the CA or designated representative upon completion of work required in the IFB.

The Contractor shall be responsible for the completion of all work specified in the IFB. All work shall be subject to inspection, evaluation, and acceptance by the CA. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the IFB and may generate a deficiency list, if applicable, of items and services that do not meet work specified in this IFB. Should the CA determine that corrections or modifications are necessary in order to accomplish the provisions of the Contract, the CA or his designated representative may direct the Contractor to make such changes.

The State reserves the right to be the sole judge of the acceptability of the work specified in this IFB and its decision shall be final.

Substantial failure of the Contractor to perform the contract may cause the State to terminate the contract. In this event, the State may require the Contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

5.16 CONTRACT START DATE

After the Notice of Award has been issued and the contract has been executed, SPO will issue a Notice to Proceed. The installation will begin on the official commencement date specified on the Notice to Proceed (see Section 5.14).

The contract shall start on the official commencement date specified on the Letter of Acceptance. The Letter of Acceptance shall be issued by the State after the inspections referenced in Section 5.15 meet the approval of the State.

The official commencement date specified on the Letter of Acceptance shall be the starting point for the Contract Term of three (3) years plus extensions.

5.17 CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS

It has been determined that funds for this contract have been appropriated by a legislative body.

Therefore, Offeror, if awarded a contract in response to this solicitation, agrees to comply with Section 11-205.5, HRS, which states that campaign contributions are prohibited from a State and county government contractor during the term of the contract if the contractor is paid with funds appropriated by a legislative body.

5.18 CONTRACT EXECUTION

The successful Offeror shall be required to enter into a formal written contract. Performance and payment bonds are not required for this IFB.

If the option to extend for each additional twelve-month period is mutually agreed upon, the contractor shall be required to execute a supplement to the contract for each extension period. The contractor or the State may terminate any extended contract period or parts thereof upon at least three hundred sixty-five (365) calendar day's prior written notice.

5.19 RE-EXECUTION OF CONTRACT

The Offeror shall re-execute any work that fails to conform to the requirements of the contract that appears during the course of the work, and shall immediately remedy any defects due to faulty workmanship.

5.20 LIABILITY INSURANCE

The Contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance to protect the Contractor and his subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Contractor may require subcontractor to provide its own insurance that meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Contractor's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate.

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (Occurrence form)	\$2,000,000 combined single limit per occurrence for bodily injury and property damage
Products / Completed Operations Commercial General Liability	\$2,000,000 per occurrence
Basic Motor Vehicle Insurance and Liability Policies	\$2,000,000 combined single limit per occurrence for bodily injury and property damage

Each insurance policy required by this contract, including a subcontractor's policy, shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."
2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements.

Upon Contractor's execution of the contract, the Contractor agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) there on deposit with the State during the entire term of this contract, including those of its subcontractor(s), where appropriate. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder or to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

5.21 INVOICING AND PAYMENT

The Contractor shall prepare invoices and reports as detailed in Section 3.5.2 Monthly Invoices.

The **State's purchasing card (pCard)** shall be used for all orders totaling less than \$2500. This requirement is for all agencies of the Executive branch with the exception of the University of Hawaii, the Department of Education, and the Office of Hawaiian Affairs. For contract vendors who do not accept the pCard, agencies shall continue to issue purchase orders for their transactions with that vendor.

Contractor(s) shall forward invoices, original and three (3) copies, directly to the ordering agency. General excise tax shall not be applied to the delivery charge.

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. For this reason, the State will reject any offer submitted with a condition requiring payment within a shorter period. Further, the State will reject any offer submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

5.22 REMOVAL OF OFFEROR'S EMPLOYEES

Offeror agrees to remove any of its employees from services rendered and to be rendered to the State, upon receiving a written request from the Contract Administrator or her designated representative.

5.23 INSPECTION

All work done shall be subject to inspection and approval by the CA or his designated representative, so as to ascertain that the services rendered are in accordance with requirements and intentions of the Specifications and Special Provisions.

5.24 LIQUIDATED DAMAGES

Failure to complete the services described in the contract within the time proposed will cause damage to the State. The amount of said damages shall be fixed at the sum of FIVE HUNDRED DOLLARS (\$500.00) for each and every calendar day the Contractor delays in the completion of the installation and services required at the start of the contract after the required date of said completion. If the Contractor has multiple installation phases, each phase shall be subject to delay damages. Liquidated damages can be avoided where the State and the Contractor mutually agree to a revision in the schedule.

The amount of said damages shall be fixed at the sum of ONE HUNDRED DOLLARS (\$100.00) for each and every Telecom Request the Contractor exceeds the time allowed for service provisioning (adds, moves, changes, disconnects, and reactivations). Liquidated damages can be avoided where the State and the Contractor mutually agree to an extension of the service provisioning time for the Telecom Request.

The amount of said damages shall be fixed at the sum of ONE HUNDRED DOLLARS (\$100.00) for each and every Trouble Call the Contractor exceeds the time allowed to repair the service. Liquidated damages can be avoided where the State and the Contractor mutually agree to an extension of the repair time for the Trouble Call.

The total sum due for any or all of the above delays shall be the responsibility of the Contractor. The Contractor shall make payment or reimburse the State for these liquidated damages.

5.25 RIGHTS AND REMEDIES

In the event the Offeror fails, refuses, or neglects to perform the services in accordance with the requirement of these Special Provisions, the Specifications, and the GTC, and in addition to the recourse stated in Section 6 of the GTC, the State reserves the right to purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any moneys due or that may thereafter become due the Offeror, the difference between the price named in the contract and the actual cost thereof to the State.

In case any money due the Offeror is insufficient for said purpose, the Offeror shall pay the difference upon demand by the State. The State may utilize all other remedies provided by law.

5.26 PROTEST

A protest based upon the content of the solicitation shall be submitted in writing within five (5) working days after the aggrieved persons knows or should have known of the facts giving rise thereto; provided further that the protest shall not be considered unless it is submitted in writing prior to the bid opening date.

Protest of an award or proposed award shall be submitted within five (5) working days after the posting of award of the contract. The notice of award letter(s), if any, resulting from this solicitation shall be posted on the bulletin board between room 416 and room 420, 1151 Punchbowl Street, Honolulu, Hawaii 96813.

Any protest pursuant to §103D-701, HRS, and Section 3-126-3, HAR, shall be submitted in writing to the Procurement Officer, SPO, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813 or P. O. Box 119, Honolulu, Hawaii 96810-0119.

5.27 CONTRACT MODIFICATIONS

The contract may be modified only by written contract modification signed by the CA, Procurement Officer and the Contractor

5.28 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS

During the course of this contract, the Contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the CA or his designated representative will provide the Contractor a written description of the additional work and request the Contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.

The Contractor shall not commence additional work until the Procurement Officer has issued a contract modification.

5.29 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

5.30 ASSIGNMENT

The contractor shall not assign this agreement without the prior written consent of the State.

5.31 VENDOR AND PRODUCT EVALUATION

The **Vendor and Product Evaluation** form, SPO-12, revised 9/30/05, is made available to the user agencies for the purpose of addressing their concerns on the price list resulting from this solicitation.

Product Evaluation. Upon receipt by the SPO, Contractor shall be sent a copy of the complaint(s) regarding product quality. Contractor shall follow up the complaint(s) with the manufacturer and respond to the SPO as to what remedies have or will be taken to correct the problem. If product quality is not corrected and the complaint(s) persist, steps will be taken to delete product from the price list.

Vendor Evaluation. In the event of a complaint regarding a Contractor's service (i.e. delivery delays, numerous backorders, failure to correct defective product deliveries, etc.), Contractor shall be sent a copy of the complaint(s). Contractor shall meet with or contact the agency that issued the complaint at the agency's place of business to resolve the problem. This shall take place within one (1) week of notification. Contractor shall contact and inform the SPO specialist as to the corrective measures taken to resolve the complaint.

Should the Contractor consistently receive complaints for poor service or refuses to resolve the complaints, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to Chapter 3-126, HAR, Legal and Contractual Remedies.

The resolving of complaints pursuant to product and vendor evaluation notifications shall be done at no additional charge to the State.

5.32 ADDITIONS, AMENDMENTS AND CLARIFICATIONS TO THE GTC

Approvals. Any agreement arising out of this offer may be subject to the approval of the Department of the Attorney General as to form, and is subject to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in §§3-122-95 through 3-122-97, HAR.

Confidentiality of Material. All material given to or made available to the Contractor by virtue of this contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

All information, data, or other material provided by the Offeror or the Contractor to the State shall be subject to the Uniform Information Practices Act, chapter 92F, HRS. The Offeror shall designate in writing to the Procurement Officer those portions of its unpriced offer or any subsequent submittal that are trade secrets or other proprietary data that the Offeror desires to remain confidential, subject to §3-122-58, HAR, in the case of an RFP, or §3-122-30, HAR, in the case of an IFB. The Offeror shall state in its written communication to the Procurement Officer, the reason(s) for designating the material as confidential, for example, trade secrets. The Offeror shall submit the material designated as confidential in such manner that the material is readily separable from the offer in order to facilitate inspection of the non-confidential portion of the offer.

Price is not confidential and will not be withheld. In addition, in the case of an IFB, makes and models, catalogue numbers of items offered, deliveries, and terms of payment shall be publicly available at the time of opening regardless of any designation to the contrary.

If a request is made to inspect the confidential material, the inspection shall be subject to written determination by the Office of the Attorney General in accordance with chapter 92F, HRS. If it is determined that the material designated as confidential is subject to disclosure, the material shall be open to public inspection, unless the Offeror protests under chapter 3-126, HAR. If the request to inspect the confidential material is denied, the decision may be appealed to the Office of Information Practices in accordance with §92F-15.5, HRS.

Nondiscrimination. No person performing work under this Agreement, including any subcontractor, employee, or agency of the Contractor, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.

Correctional Industries. Goods and services available through Correctional Industries (CI) programs may be the same or similar to those awarded by competitive sealed bids or proposals. Agencies participating in SPO requirements (price list) contracts may also procure directly from CI and shall not be considered in violation of the terms and conditions of any SPO contract.

Year 2000 Compliance. All appropriate hardware, software, and systems utilized for the work specified herein shall be year 2000 compliant.

Amendments to the GTC:

Subsection 2.1 Competency of Offeror. Paragraph one is rescinded and replaced with the following:

"Prospective Offeror must be capable of performing the work for which offers are being called. Either before or after the deadline for an offer, the purchasing agency may require Offeror to submit answers to questions regarding facilities, equipment, experience, personnel, financial status or any other factors relating to the ability of the Offeror to furnish satisfactorily the goods or services being solicited by the STATE. Any such inquiries shall be made and replied to in writing; replies shall be submitted over the signatures of the person who signs the offer. Any Offeror who refuses to answer such inquiries will be considered non-responsive."

Subsection 2.5 Preparation of Offer. Paragraph four is rescinded and replaced with the following:

"An Offeror may submit only one offer in response to a solicitation. If an Offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an Offeror may submit only one offer for each line item (if any) of a solicitation. If an Offeror submits more than one offer per line item, then all offers for that line item shall be rejected."

Subsection 3.1(B) Preference for Hawaii Products. GTC §3.1(B), paragraphs one and two only are rescinded and replaced with the following: "A purchasing agency shall review all specifications in a bid or proposal for purchase from the Hawaii products (HP) list where these products are available; provided that the products: Meet the minimum specifications and the selling price f.o.b. jobsite; unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; and unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price of a similar non-HP by more than: three per cent where class I HP are involved; five per cent where class II HP are involved; or ten per cent where class III HP are involved.

All persons submitting bids or proposals to claim HP preference shall designate in their bids which individual product and its price is to be supplied as a HP.

Where a bid or proposal contains both Hawaii and non-HP, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a HP item shall be decreased by subtracting there from: three per cent, five per cent, or ten per cent for the class I, class II, or class III HP items bid or offered, respectively. The lowest total bid or proposal, taking the preference into consideration, shall be awarded the

contract unless the bid or offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of the preferences."

Subsection 3.1(C) Printing Preference. GTC §3.1(C), paragraphs one and two are rescinded and replaced with the following: "All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall receive a fifteen per cent preference for purposes of bid or proposal evaluation."

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted only, the amount bid or proposed for work performed out-of-state shall be increased by fifteen per cent. The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference.

Clarifications to the GTC:

Subsection 2.8 Certification of Offeror Concerning Wages, Hours and Working Conditions of Employees Supplying Services. Section 103-55, HRS, amended by Act 149, SLH 1999, now applies to service contracts in excess of \$25,000 and also excludes professional personnel.

GTCs Not Applicable. Subsections 2.11 and 2.14 of the GTC that apply specifically to the RFP method of source selection are not applicable to IFBs. Also subsections 2.10 and 2.13 that apply specifically to the IFB method of source selection are not applicable to RFPs.

SECTION SIX
ATTACHMENTS

EXHIBIT 1:	State Dialing Plan
OFFER FORMS:	Phase I – Pages OF-1 through OF-3, OF-8, & Wage Certificate
	Phase II – Pages OF-4 through OF-8

EXHIBIT 1

STATE DIALING PLAN

1	Station-to-Station On Island Inter-Island (Except Molokai & Lanai)	5D (5-digits) 5D
2	Local On Island (off-net)	9+7D
3	Interisland Non Toll (off-net)	8+1+808+7D
4	Interisland Toll (off-net)	9+1+808+7D
5	Interstate Toll Primary	9+1+NPA+7D
6	Interstate Toll Secondary	8+1+NPA+7D
7	International Toll Primary	9+011+Country Code+City Code+#
8	International Toll Secondary	8+011+Country Code+City Code+#
9	LEC Operator (Hawaiian Telcom)	9+0
10	IXC Operator (Sprint) Domestic & International	9+00
11	State Operator	0 or 586-2211 or 62211
12	Directory Assistance On Island Interisland Interstate International	9+411 or 9+1+411 9+1+808+555-1212 9+1+NPA+555-1212 9+0
13	Emergency 911	9+911 or 9+1+911
14	Toll Free	9+1+800/888/877/866 etc. +7D
15	Blocked	900, 976, and other pay per call NPAs except 700

Providing Long Distance Telephone Services for Hawaii State Government
IFB-07-008-SW

Procurement Officer
State Procurement Office
State of Hawaii
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions, dated September 1, 1995, by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offeror is:

☐ Sole Proprietor ☐ Partnership ☐ *Corporation ☐ Joint Venture
☐ Other _____

*State of incorporation: _____

Hawaii General Excise Tax License I.D. No. _____

Payment address (other than street address below): _____
City, State, Zip Code: _____

Business address (street address): _____
City, State, Zip Code: _____

Respectfully submitted:

Date: _____ (x) _____
Authorized (Original) Signature

Telephone No.: _____

Fax No.: _____ Name and Title (Please Type or Print)

E-mail Address: _____ ** _____
Exact Legal Name of Company (Offeror)

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded contract will be executed:

Offeror _____
Name of Company

PHASE I – TECHNICAL PROPOSAL

OFFEROR QUALIFICATIONS

1. Offeror must provide information for the Customer Service Center and Dedicated Customer Service Representative or Technical Support Person: (See Sections 3.6.1.3 & 3.6.1.4)

Customer Service Center

Name: _____

Address: _____

Telephone #: _____

Facsimile #: _____

Hours of Operation: _____

Number of CSRs: _____

Major Duties: _____

Dedicated Customer Service Representative or Technical Support Person

Name: _____

Title: _____

Address: _____

Telephone & Cell #: _____

Major Duties: _____

2. A copy of Hawaii PUC Certificate of Public Convenience and Necessity or Certificate of Authority is submitted with the Technical Proposal. (See Section 5.5 Offeror Qualification & References)

Offeror _____
Name of Company

3. Client References: Offeror is required to supply the State with names, addresses, and telephone numbers of four (4) companies or entities which the Offeror has supplied long distance services, of similar size and usage requirements to those being requested in this IFB. As part of the evaluation, State personnel may call the customers whose names you furnish to inquire about Offeror's services, performance, equipment, and degree of customer satisfaction. (See Section 5.5 Offeror Qualification & References)

Client Name: _____
Address: _____
Description of Contract
and Services Provided: _____

Reference Name: _____
Current Phone: _____

Client Name: _____
Address: _____
Description of Contract
and Services Provided: _____

Reference Name: _____
Current Phone: _____

Client Name: _____
Address: _____
Description of Contract
and Services Provided: _____

Reference Name: _____
Current Phone: _____

Client Name: _____
Address: _____
Description of Contract
and Services Provided: _____

Reference Name: _____
Current Phone: _____

Offeror _____
Name of Company

PHASE II – PRICED BIDS

PRICE SUMMARY

<u>Item</u>	<u>Bid Price</u>	<u>Term</u>	<u>Total Sum Bid</u>
SCHEDULE A – LONG DISTANCE RATES	\$ _____	x 36 mo =	\$ _____
SCHEDULE B - MISCELLANEOUS SERVICES	\$ _____	x 36 mo =	\$ _____
SCHEDULE C- ALL OTHER CHARGES	\$ _____	x 36 mo =	\$ _____
TOTAL - SCHEDULE PRICE SUMMARY			\$ _____

Offeror _____
Name of Company

SCHEDULE A

PRICED BID

INTERISLAND, INTERSTATE, AND INTERNATIONAL LONG DISTANCE RATES

The Offeror shall propose per minute rates for interisland, interstate, and international (by country) calls. The State has estimated the number of calling minutes per month for interisland, interstate, and international (by country) destinations as accurately as possible based upon actual calling data for May 2005 through February 2006 for all jurisdictions currently on the State contract. There is no separate breakdown of switched and dedicated traffic or by jurisdiction (State Executive Branch, Legislature, Judiciary, or Counties).

	<u>Rate Per Minute</u>		<u>Estimated No. of Minutes Per Month</u>		<u>Total</u>
1. Interisland Calls:					
	\$ _____	X	207,000	=	\$ _____
2. Interstate Calls:					
	\$ _____	X	170,000	=	\$ _____
3. International Calls*:				=	\$ _____
TOTAL - SCHEDULE A: LONG DISTANCE RATES					\$ _____ (Sum of 1, 2 and 3)

* Total Estimated Cost of International Calls from OFFER FORM page OF-6g.

Offeror _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
1	Afganistan		1	
2	Albania, Republic of		1	
3	Algeria		1	
4	American Samoa		1	
5	Andorra		1	
6	Angola		1	
7	Anguilla		1	
8	Antigua (Including Barbuda)		1	
9	Argentina		1	
10	Armenia		1	
11	Aruba		1	
12	Ascension Island		1	
13	Australia		513	
14	Austria		7	
15	Azerbaijan		1	
16	Bahamas		24	
17	Bahrain		1	
18	Bangladesh, People's Republic of		1	
19	Barbados		1	
20	Belarus		1	
21	Belgium		2	
22	Belize		63	
23	Benin, Republic of		1	
24	Bermuda		3	
25	Bhutan		1	
26	Bolivia		1	
27	Bosnia-Herzegovina, Republics of		1	
28	Botswana		1	
29	Brazil		5	
30	British Virgin Islands		1	
31	Brunei		1	
32	Bulgaria		1	
33	Burkina Faso		1	
34	Burundi		1	
35	Cambodia		1	
36	Cameroon, Republic of		1	

Offeror _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
37	Canada		1901	
38	Cape Verde Islands		1	
39	Cayman Islands		1	
40	Central African Republic		1	
41	Chad, Republic of		1	
42	Chile		7	
43	China, People's Republic of		469	
44	Colombia		4	
45	Comoros, Federal and Islamic Republic of		1	
46	Congo, Democratic Republic of (Formerly Zaire)		1	
47	Congo, Republic of		1	
48	Cook Islands		1	
49	Costa Rica		1	
50	Croatia, Republic of		2	
51	Cuba		1	
52	Cyprus		1	
53	Czech Republic		1	
54	Denmark		10	
55	Diego Garcia		1	
56	Djibouti, Republic of		1	
57	Dominica		1	
58	Dominican Republic		1	
59	Ecuador		4	
60	Egypt, Arab Republic of		9	
61	El Salvador		1	
62	Equatorial Guinea, Republic of		1	
63	Eritrea		1	
64	Estonia		1	
65	Ethiopia		1	
66	Faeroe Islands		1	
67	Falkland Islands		1	
68	Fiji Islands		217	
69	Finland		12	
70	France		37	

Offeror: _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
71	French Antilles (Martinique, St. Barthelemy, and St. Martin)		1	
72	French Guiana		1	
73	French Polynesia (Including the Islands of Moorea and Tahiti)		9	
74	Gabon Republic		1	
75	Gambia		1	
76	Georgia		1	
77	Germany, Federal Republic of (Including former German Democratic Republic)		471	
78	Ghana		1	
79	Gibraltar		1	
80	Greece		1	
81	Greenland		1	
82	Grenada (Including Carriacou)		2	
83	Guadeloupe		1	
84	Guam		1	
85	Guantanamo (U.S. Naval Base)		1	
86	Guatemala		1	
87	Guinea, Republic of		1	
88	Guinea-Bissau		1	
89	Guyana		1	
90	Haiti		1	
91	Honduras		1	
92	Hong Kong		100	
93	Hungary		34	
94	Iceland		1	
95	India		164	
96	Indonesia		1	
97	Iran		1	
98	Iraq		1	
99	Ireland		5	
100	Israel		4	
101	Italy		15	
102	Ivory Coast, Republic of		1	
103	Jamaica		8	

Offeror: _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
104	Japan (Including Okinawa)		817	
105	Jordan		2	
106	Kazakhstan		1	
107	Kenya, Republic of		1	
108	Kiribati		1	
109	Korea, Democratic People's Republic of		1	
110	Korea, Republic of		471	
111	Kuwait		1	
112	Kyrgyzstan		1	
113	Laos		1	
114	Latvia		1	
115	Lebanon		1	
116	Lesotho		1	
117	Liberia		1	
118	Libyan Arab People's Socialist Jamahiriya		1	
119	Liechtenstein		1	
120	Lithuania		1	
121	Luxembourg		1	
122	Macao		1	
123	Macedonia, Former Yugoslav Republic of		1	
124	Madagascar, Republic of		1	
125	Malawi		1	
126	Malaysia		1	
127	Maldives, Republic of		1	
128	Mali, Republic of		1	
129	Malta		1	
130	Marshall Islands		121	
131	Mauritania, Islamic Republic of		1	
132	Mauritius		1	
133	Mayotte Island		1	
134	Mexico		41	
135	Micronesia, Federated States of		176	
136	Moldova		1	
137	Monaco		1	
138	Mongolia		1	
139	Montserrat		1	
140	Morocco, Kingdom of		1	

Offeror: _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
141	Mozambique		1	
142	Myanmar		1	
143	Namibia		2	
144	Nauru		1	
145	Nepal		1	
146	Netherlands		5	
147	Netherlands Antilles (Bonaire, Curacao, Saba, St. Eustatius and St. Maarten)		1	
148	New Caledonia		1	
149	New Zealand (Including Chatham Island)		166	
150	Nicaragua		1	
151	Niger, Republic of		1	
152	Nigeria, Federal Republic of		2	
153	Niue		1	
154	Northern Mariana Islands (Saipan, etc.)		4	
155	Norway (Including Svalbard)		14	
156	Oman		1	
157	Pakistan		1	
158	Palau, Republic of		34	
159	Panama, Republic of		1	
160	Papua New Guinea (Admiralty Islands, Bougainville, New Britain and New Ireland)		2	
161	Paraguay		1	
162	Peru		9	
163	Philippines		198	
164	Pitcairn Island		1	
165	Poland, Republic of		2	
166	Portugal (Including Azores and Madeira Islands)		1	
167	Puerto Rico		1	
168	Qatar		1	
169	Reunion Island		1	
170	Romania		1	
171	Russia		1	
172	Rwanda		1	
173	San Marino		1	
174	Sao Tome		1	

Offeror: _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
175	Saudi Arabia		1	
176	Senegal, Republic of		1	
177	Seychelles Islands		1	
178	Sierra Leone		1	
179	Singapore, Republic of		31	
180	Slovakia		1	
181	Slovenia, Republic of		3	
182	Solomon Islands		1	
183	Somali Republic		1	
184	South Africa, Republic of		8	
185	Spain (Including Balearic Islands, Canary Islands, Ceuta, and Melilla)		17	
186	Sri Lanka, Democratic Socialist Republic of		1	
187	St. Helena		1	
188	St. Kitts/Nevis		1	
189	St. Lucia		1	
190	St. Pierre & Miquelon		1	
191	St. Vincent & The Grenadines		2	
192	Sudan		1	
193	Suriname, Republic of		1	
194	Swaziland		1	
195	Sweden		12	
196	Switzerland		10	
197	Syrian Arab Republic		1	
198	Taiwan		655	
199	Tajikistan		1	
200	Tanzania		9	
201	Thailand		170	
202	Togo, Republic of		1	
203	Tonga Islands		1	
204	Trinidad & Tobago, Republic of		1	
205	Tunisia		1	
206	Turkey		1	
207	Turkmenistan		1	
208	Turks & Caicos Islands		1	
209	Tuvalu		1	

Offeror: _____
Name of Company

INTERNATIONAL RATES

ITEM NO.	INTERNATIONAL COUNTRY OR AREA**	1 RATE PER MINUTE**	2 ESTIMATED MINUTES PER MONTH	1 x 2 = 3 TOTAL PER MONTH
210	Uganda		1	
211	Ukraine		1	
212	United Arab Emirates (Abu Dhabi, Ajman, Dubai, Fujairah, Ras al Khaimah, Sharjah, and Umm al Qaiwain)		1	
213	United Kingdom (Including the Channel Islands, England, Isle of Man, Northern Ireland, Scotland and Wales)		150	
214	U.S. Virgin Islands		1	
215	Uruguay		1	
216	Uzbekistan		1	
217	Vanuatu, Republic of		71	
218	Vatican City		1	
219	Venezuela		1	
220	Vietnam, Socialist Republic of		59	
221	Wallis & Futuna Islands		1	
222	Western Sahara		1	
223	Western Samoa		12	
224	Yemen, Republic of (Including Aden & Almahrah)		1	
225	Yugoslavia, Federal Republic of		1	
226	Zambia		1	
227	Zimbabwe		1	
	Total Estimated Cost of International Calls			

** Offeror may add countries not listed on OFFER FORM pages OF-6a through OF-6g, if it wishes to propose an international rate per minute. There will be no Total Per Month for bidding purposes for these countries. Also, Offeror may propose Puerto Rico, U.S. Virgin Islands and others under Interstate rates instead of as country rates.

Offeror: _____
Name of Company

SCHEDULE B

PRICED BID

MISCELLANEOUS SERVICES

1. Toll Free Calling (800/888/877/866/etc.)

	<u>Rate Per Minute</u>		<u>Estimated Qty Per Month</u>		<u>Total</u>
Interisland	_____	X	94,000 minutes	=	_____
Interstate	_____	X	87,000 minutes	=	_____
International	_____	X	1,000 minutes	=	_____

2. Calling Card

	<u>Rate Per Minute</u>		<u>Estimated Qty Per Month</u>		<u>Total</u>
Interisland	_____	X	250 minutes	=	_____
Interstate	_____	X	250 minutes	=	_____
International	_____	X	100 minutes	=	_____

3. ISDN BRI

	<u>Rate Per Minute</u>		<u>Estimated Qty Per Month</u>		<u>Total</u>
Interisland	_____	X	6,000 minutes	=	_____
Interstate	_____	X	3,000 minutes	=	_____

TOTAL - SCHEDULE B: MISCELLANEOUS SERVICES

\$ _____

Offeror: _____
Name of Company

SCHEDULE C

PRICED BID

ALL OTHER CHARGES

	<u>Rate</u>		<u>Estimated Cost</u>		<u>Total</u>
1. Federal Excise Tax	_____	X	\$21,000	=	_____
2. PUC/Regulatory Fee	_____	X	\$21,000	=	_____
3. State Public Service Company Tax	_____	X	\$21,000	=	_____
4. County Public Service Company Tax	_____	X	\$21,000	=	_____

Other Taxes, Fees, or Charges based on estimated cost

5a. _____	_____	X	\$21,000	=	_____
5b. _____	_____	X	\$21,000	=	_____
5c. _____	_____	X	\$21,000	=	_____

Other Taxes, Fees, or Charges based on telephone numbers, calls, or other units

6a. _____	_____	X	_____	=	_____
6b. _____	_____	X	_____	=	_____
6c. _____	_____	X	_____	=	_____

TOTAL - SCHEDULE C: ALL OTHER CHARGES

\$ _____
(Sum of 1-6)

Offeror: _____
Name of Company

9/19/00

**WAGE CERTIFICATE
FOR SERVICE CONTRACTS**
(See Special Provisions)

Subject: IFB No.: 07-008-SW

Title of IFB: Providing Long Distance Telephone Services
For Hawaii State Government

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:

1. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with; and
2. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by Section 103-55, HRS.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by Section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____